



House of Representatives

General Assembly

File No. 123

January Session, 2015

House Bill No. 6853

House of Representatives, March 19, 2015

The Committee on Planning and Development reported through REP. MILLER, P. of the 36th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT CONCERNING GRANTS AVAILABLE THROUGH THE
INTERTOWN CAPITAL EQUIPMENT PURCHASE INCENTIVE
PROGRAM.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4-66m of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) For the purposes described in subsection (b) of this section, the
4 State Bond Commission shall have the power, from time to time, to
5 authorize the issuance of bonds of the state in one or more series and
6 in principal amounts not exceeding in the aggregate twenty million
7 dollars, provided ten million dollars of said authorization shall be
8 effective July 1, 2012.

9 (b) The proceeds of the sale of said bonds, to the extent of the
10 amount stated in subsection (a) of this section, shall be used by the
11 Secretary of the Office of Policy and Management for the purpose of
12 providing grants-in-aid under the intertown capital equipment

13 purchase incentive program established pursuant to subsection (c) of
14 this section.

15 (c) (1) There is established an intertown capital equipment purchase
16 incentive program to provide grants to municipalities to jointly
17 acquire, on and after October 1, 2011, by purchase or by lease,
18 equipment and vehicles necessary to the performance or delivery of a
19 required governmental function or service.

20 (2) Grant funds may be used for acquisition costs of (A) equipment
21 with an anticipated remaining useful life of not less than five years
22 from the date of purchase or entry into a lease, including, but not
23 limited to, data processing equipment that has a unit price of less than
24 one thousand dollars, that a municipality uses in the performance or
25 delivery of a required governmental function or service, and (B) a
26 maintenance vehicle, pick-up truck, tractor, truck tractor or utility
27 trailer, as each said term is defined in section 14-1, or any other similar
28 type of vehicle that a municipality uses in the performance or delivery
29 of a required governmental function or service. Each grant shall be not
30 more than [fifty] eighty per cent of the total acquisition cost of such
31 equipment or vehicle, or [two hundred fifty] three hundred seventy-
32 five thousand dollars, whichever is less.

33 (3) Not later than September 1, 2011, the Secretary of the Office of
34 Policy and Management shall develop guidelines to establish (A) the
35 procedures to apply for and the administration of the intertown capital
36 equipment purchase incentive program, (B) criteria for the expenditure
37 of grant funds and the method of allocation of a grant among the
38 municipalities that jointly acquire or lease equipment or a vehicle set
39 forth in subdivision (2) of this subsection, and (C) prioritization for the
40 awarding of grants pursuant to this section, including, but not limited
41 to, any limits in a given time frame on (i) the number of times a
42 municipality may apply, or (ii) the dollar amount of grant funds a
43 municipality may receive, pursuant to this section.

44 (4) Not later than October 1, 2011, and annually thereafter, the
45 Secretary of the Office of Policy and Management shall publish a

46 notice of grant availability and solicit proposals for funding under the
47 intertown capital equipment purchase incentive program.
48 Municipalities eligible for such funding pursuant to the guidelines
49 developed under subdivision (3) of this subsection may file
50 applications for such funding at such times and in such manner as the
51 secretary prescribes. The secretary shall review all grant applications
52 and make determinations as to which acquisitions to fund and the
53 amount of grants to be awarded in accordance with the guidelines
54 developed under subdivision (3) of this subsection.

55 (d) All provisions of section 3-20, or the exercise of any right or
56 power granted thereby, which are not inconsistent with the provisions
57 of this section are hereby adopted and shall apply to all bonds
58 authorized by the State Bond Commission pursuant to this section, and
59 temporary notes in anticipation of the money to be derived from the
60 sale of any such bonds so authorized may be issued in accordance with
61 said section 3-20 and from time to time renewed. Such bonds shall
62 mature at such time or times not exceeding twenty years from their
63 respective dates as may be provided in or pursuant to the resolution or
64 resolutions of the State Bond Commission authorizing such bonds.
65 None of said bonds shall be authorized except upon a finding by the
66 State Bond Commission that there has been filed with it a request for
67 such authorization which is signed by or on behalf of the Secretary of
68 the Office of Policy and Management and states such terms and
69 conditions as said commission, in its discretion, may require. Said
70 bonds issued pursuant to this section shall be general obligations of the
71 state and the full faith and credit of the state of Connecticut are
72 pledged for the payment of the principal of and interest on said bonds
73 as the same become due, and accordingly and as part of the contract of
74 the state with the holders of said bonds, appropriation of all amounts
75 necessary for punctual payment of such principal and interest is
76 hereby made, and the State Treasurer shall pay such principal and
77 interest as the same become due.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2015</i>	4-66m
-----------	------------------------	-------

PD *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Treasurer, Debt Serv.	GF - Acceleration of Debt Service Costs	Potential	Potential

Municipal Impact:

Municipalities	Effect	FY 16 \$	FY 17 \$
All Municipalities	Revenue Gain	Potential	Potential

Explanation

The bill increases the maximum grant that the Office of Policy and Management (OPM) can award through the Intertown Capital Equipment Purchasing Program (ICEP). Municipalities could experience a revenue gain to the extent that OPM provides larger grant awards for certain capital projects as a result of the bill.

The ICEP program is funded with General Obligation (GO) bonds and the debt service on GO bonds is paid by the General Fund. The bill could result in General Fund debt service costs being incurred sooner to the degree that authorized GO bond funds are expended more rapidly than they otherwise would have been.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in the amount of grant funding awarded under the Intertown Capital Equipment Purchasing Program.

OLR Bill Analysis**HB 6853*****AN ACT CONCERNING GRANTS AVAILABLE THROUGH THE
INTERTOWN CAPITAL EQUIPMENT PURCHASE INCENTIVE
PROGRAM.*****SUMMARY:**

This bill increases the maximum grant the Office of Policy and Management (OPM) can provide under the Intertown Capital Equipment Purchase Incentive Program, which helps municipalities jointly buy or lease needed vehicles or capital equipment. It increases the maximum grant from the lesser of \$250,000 or 50% of the total acquisition cost, to the lesser of \$375,000 or 80% of the cost.

By law, the grants may be used to buy or lease (1) a maintenance vehicle, pickup truck, tractor, truck tractor, utility trailer, or similar vehicle or (2) any other equipment, including data processing equipment with a unit price under \$1,000, that has an expected remaining useful life of at least five years from the purchase or lease date. The municipality must use the vehicle or equipment to perform or deliver a required government function or service.

EFFECTIVE DATE: October 1, 2015

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 16 Nay 0 (03/06/2015)